

California Workforce Investment Board
Green Collar Jobs Council

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Sacramento, CA

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DBL Investors: Double Bottom Line Venture Capital

- Double-bottom line venture capital firm spun out of JPMorgan in 2008
- Mission: Achieve top-tier financial returns as well as social, environmental and economic returns in the regions in which we invest
- Two funds:
 - Bay Area Equity Fund I LP - \$75M, 2004 vintage year
 - DBL Equity Fund - BAEF II LP - \$140M, closed March 2011
- Traditional VC responsibilities plus hands-on mission development with our companies
 - Invests across sectors: clean-tech, health care, information technology, specialty consumer products and services
 - Investors in both funds include foundations, pension funds, banks, fund-of-funds, corporations, and high net-worth individuals
 - DBL Returns across: Public Policy, Community Engagement, Employee Programs, and Environmental Stewardship (Bi-annual reporting on financial and social metrics)

Issues for companies locating in CA:

- Operating costs
 - Real estate availability
 - Proximity to transportation nodes
 - Cost and quality of workforce
 - Quality of life and housing prices
 - Permits: Siting of power plants and transmission lines
- State and local agencies and funding sources can help companies locate and stay in California fostering job growth

Key CA Initiatives Driving Innovation and Job Growth in Green Economy

- **CA Solar Initiative (CSI)** as result of growth of solar industry spurred by CSI launched 4 years ago, CA has 36,000 solar jobs
- **Renewables Portfolio Standard (RPS)** Governor signed bill in April to increase current 20% RPS to 33%. Utilities will have to procure at least 33% of retail sales from renewable energy resources by 2020.
- **CEC's Public Interest Energy Research Program (PIER) Program** - SB 35 extends Public Goods Charge that funds PIER and renames PIER to California Energy Research and Technology (CERT) program - narrows focus to R&D. Program drives innovation:
 - **Powerlight** (Berkeley, CA) received PIER grant in mid-1990s (then called Temenos) applied for funds to develop new PV rooftop system, developed "PowerGuard"
Acquired by SunPower, recently received conditional commitment for \$1.187 DoE loan to finance 250 MW PV plant in San Luis Obispo to start Q3 2011
- **Self-Generation Incentive Program (SGIP)** AB 1150 extends funding for 5 years, authorizes PUC to collect additional funds from ratepayers to fund payments to customer-owned distributed electricity generation projects through 2018. Until suspended, rebates were available for wind, fuel cell and storage projects up to 5 MW

Solaria Example: Successes and Challenges

- Corporate headquarters and a manufacturing facility located in Fremont
- Solaria designs, develops, and manufactures industry-leading silicon PV products
- Facility estimated to create up to 600 jobs, most of which manufacturing jobs
- Awarded \$2.8 million 7 year loan from CEC to cover manufacturing equipment
- Evaluating manufacturing plant in CA, Oregon, or Malaysia
- Solaria VP of HR on Clean Tech Advisory Board for Alameda County Workforce Investment Board and uses Board to source candidates for entry level positions
- Solaria trying to get a shuttle service at Solaria's Fremont headquarters to provide convenient connection to BART

Soladigm Example: Successes and Challenges

- Corporate headquarters located in Milpitas, CA
- Developer of next-generation green building solutions designed to improve energy efficiency. The company's highly energy-efficient Dynamic Glass switches from clear to tinted on demand, resulting in significant cost savings, environmental benefits, and quality of life enhancements
- Dynamic Glass control results in 25% reduction in HVAC energy consumption and 30 percent reduction in peak load
- Awarded \$40 million loan and \$4 million in additional incentives from the State of Mississippi, has begun construction of their high volume manufacturing line
- Seeks certification by General Services Administration as approved supplier of government buildings for retrofit and new construction - project needs to be designed into a pilot building, studied and approved
- Seeks to qualify for PIER grant from the California Energy Commission - program suspended in 2011 and now working on submission for FY 2012

Solexant Example: Successes and Challenges

- Corporate, manufacturing, and R&D Center in San Jose, CA
- Solexant is developing next thin film PV technologies which dramatically increase solar cell efficiency and reduce manufacturing costs, therefore enabling the commercialization of solar modules that generate electricity at competitive rates without depending on government subsidies
- Pursuing Green Business Certification
- Solexant has 401K plan and working on increasing enrollment in plan with employees
- Approved for \$18.75 million tax credit and \$25 million loan from Oregon Department of Energy
- Finance production facility in economic development area of Gresham, Oregon
- Facility projected to create up to 200 entry level manufacturing jobs
- Worked with local transportation authority to bring a shuttle stop to connect San Jose public transit but Company and its office park is currently too small to justify a stop

Tesla Example: Successes and Challenges

- Manufactures high-performance, highly energy efficient, battery-powered electric cars
 - Aug 2006: Began site/incentives/financing search for assembly plant
 - Jan 2007: Pittsburg, CA offers \$15MM incentives over 10 years (\$5MM CA EZ, \$10MM city redevelop incentives: rent, loans)
 - Sep 2008 - 2009: San Jose offers \$20MM incentives over 10 years (\$8MM sales tax exemption, \$7MM free rent, \$5MM CA EZ) San Jose site falls through
 - Jun 2009: Tesla approved for \$465 million loan from the DoE's Advanced Technology Vehicle Manufacturing Program, to be used to build two plants in California
- Tesla chooses Palo Alto for powertrain plant: \$5MM rent savings over 10 years
- Sedan assembly plant in Fremont (the NUMMI plant now called Tesla Motors Plant)
 - Factories result in 1,200 Bay Area auto assembly jobs at Tesla by early 2012 and estimated by Tesla to result in creation or preservation of 10,000 jobs by its suppliers
 - DBL Investors promoted NUMMI plant option with Alameda County Board of Supervisors

DBL Companies located in Enterprise Zones

- DBL Companies in Enterprise Zones - Oakland:

- BrightSource Energy - filed for IPO
- Revolution Foods
- Pandora Media - filed for IPO
- LiveScribe

- Enterprise Zone Companies eligible for tax credits and benefits:

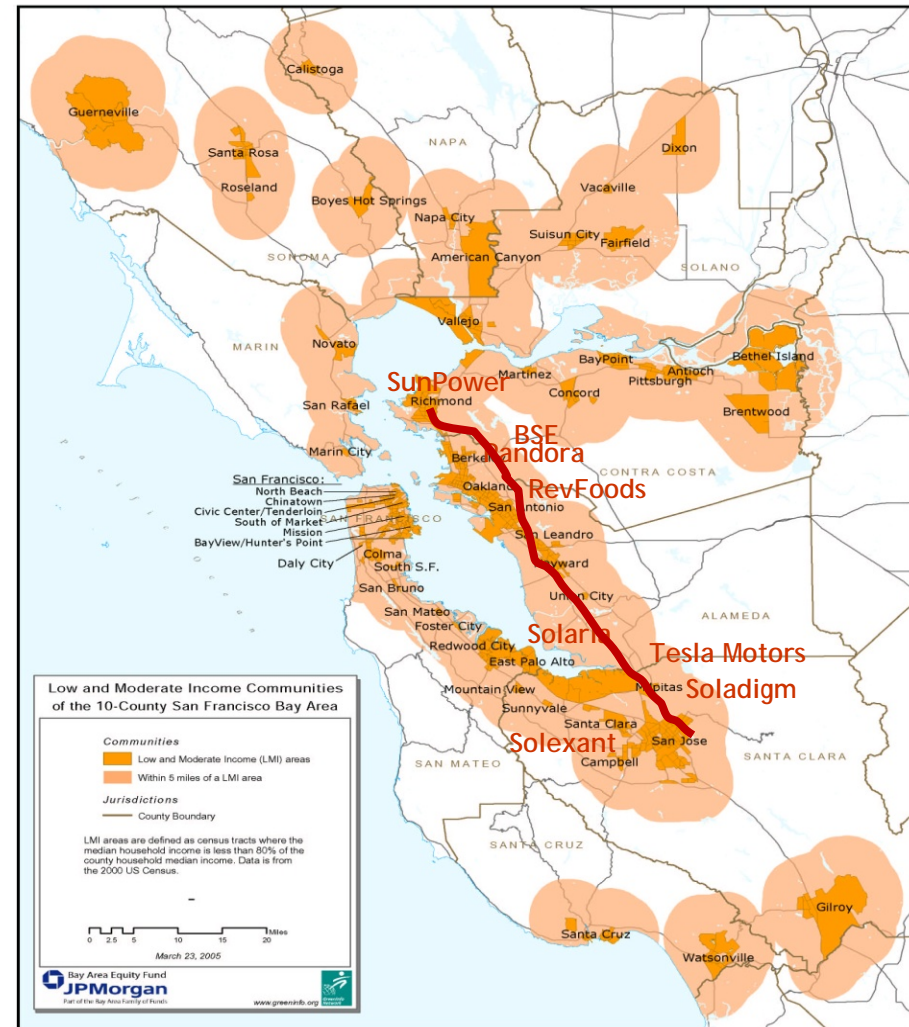
- Hiring Credits of up to \$37,440 for each qualified employee hired over a five year period
- Sales tax credits on purchases of up to \$20 million per year's worth of qualified machinery and parts
- Up-front expensing of certain depreciable property (up to \$20,000 per year)
- Unused tax credits can be applied to future tax years, stretching out the benefit of the initial investment
- Enterprise Zone companies can earn preference points on state contracts

Revolution Foods: Successes and Challenges

- Provides healthy, tasty meals to schools to address childhood obesity and malnutrition, focused on charter school market, 80% served to kids in Federal Free Lunch and reduced lunch program (\$2.68 per lunch federal reimbursement rate)
- Obtained \$500k low-interest loan from the City of Oakland, via the Oakland based OBDC Small Business Finance organization
- Oakland and Los Angeles long-term facilities located in Enterprise Zones
- Received certification as Bay Area Green Business in February 2011

DBL's Economic Development Impact: East Bay of San Francisco Bay Area

- 880 Green Corridor
- Oakland: over 400 jobs
- Clustering effect



DBL Investors' Double Bottom Line Returns in CA

Social/Economic/Environmental Returns:

- First fund will create over 7,000 jobs, many entry level
 - Very high capital/jobs productivity \$10,000 per job
 - Quality jobs: liveable wages, stock options, benefits
- Major wins in terms of economic development:
 - NUMMI plant save (now called Tesla Motors plant)
 - Companies in Enterprise Zones:
 - BrightSource Energy; LiveScribe; Revolution Foods; Pandora Media
- “Green Corridor” along Interstate 880 in Alameda County :
 - Powerlight/SunPower; BrightSource Energy; Tesla Motors; Solaria; Solexant
- Green Jobs Leadership: training, job creation, community college outreach (e.g. SolarCity)